

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE DRS85163-LY-66 (3/10)

Short Title: Low-Income Housing Property Tax. (Public)

Sponsors: Senator Clodfelter.

Referred to:

A BILL TO BE ENTITLED

AN ACT RELATING TO PROPERTY TAX VALUATION OF LOW- AND MODERATE-INCOME HOUSING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-283 reads as rewritten:

"§ 105-283. Uniform appraisal standards.

(a) All property, real and personal, shall as far as practicable be appraised or valued at its true value in money. When used in this Subchapter, the words "true value" shall be interpreted as meaning market value, that is, the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used. For the purposes of this section, the acquisition of an interest in land by an entity having the power of eminent domain with respect to the interest acquired shall not be considered competent evidence of the true value in money of comparable land.

(b) Property that meets all of the conditions provided in this subsection is designated a special class of property pursuant to Section 2(2) of Article V of the North Carolina Constitution and shall be appraised as provided in this subsection. In the case of real property that meets all of the following conditions, the effect of rent restrictions and income restrictions on the true value of the property shall be taken into account for purposes of valuation under this Subchapter:

(1) The property is subject to restrictions on the income eligibility of tenants to whom it is leased or on the rents that may be charged pursuant to any State or federal government program providing for tax incentives, grants, or loans.

1 (2) The tenants to whom the property is leased meet the applicable income
2 eligibility restrictions and the rents charged meet any applicable rent
3 restrictions.

4 (3) The entity that owns the property satisfies the safe harbor provisions of
5 Revenue Procedure 96-32 issued by the Internal Revenue Service."

6 **SECTION 2.** G.S. 105-287(a) reads as rewritten:

7 "(a) In a year in which a general reappraisal or horizontal adjustment of real
8 property in the county is not made, the assessor shall increase or decrease the appraised
9 value of real property, as determined under G.S. 105-286, to accomplish any one or
10 more of the following:

11 (1) Correct a clerical or mathematical error.

12 (2) Correct an appraisal error resulting from a misapplication of the
13 schedules, standards, and rules used in the county's most recent general
14 reappraisal or horizontal adjustment.

15 (2a) Recognize an increase or decrease in the value of the property
16 resulting from a conservation or preservation agreement subject to
17 Article 4 of Chapter 121 of the General Statutes, the Conservation and
18 Historic Preservation Agreements Act.

19 (2b) Recognize a change in whether the property meets the conditions of
20 G.S. 105-283(b).

21 (3) Recognize an increase or decrease in the value of the property
22 resulting from a factor other than one listed in subsection (b)."

23 **SECTION 3.** This act is effective for taxes imposed for taxable years
24 beginning on or after July 1, 2004.